



Commonwealth of Kentucky SOLICITATION MODIFICATION

Addenda: Yes

Addenda #: 2

TITLE: Auditing Assistance with Local Government Audits		
Date Issued: 8/20/21 Record Date: 2021-08-20	Solicitation Closes Date: 8/31/21 Time: 16:30	Solicitation No: RFP 045 2200000010
Online Bidding Prohibited: Yes		
For Information Call: Timothy Gutman 502-564-5841		Bid Receiving Location: Auditor of Public Accounts Bid Clerk 209 St. Clair Street <div style="display: flex; justify-content: space-between;"> Frankfort KY 40601 </div>
Vendor Customer Number: Vendor Name: Phone Number: Fax Number: Email Address:		
Ordering Address: City, State, Zip: Contact Name: Contact Email: Contact Phone Number:	Payment Address: City, State, Zip: Contact Name: Contact Email: Contact Phone Number:	
Ownership Type <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other </div>		

SIGNATURE OF AUTHORIZED AGENT IS REQUIRED UNLESS RESPONSE IS SUBMITTED ELECTRONICALLY. FAILURE TO SIGN SHALL RENDER THE BID INVALID.

Signature X _____ FEIN# _____ Date _____

All offers subject to all terms and conditions contained in this solicitation.



Commonwealth of Kentucky

SOLICITATION MODIFICATION

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Line Items

Commodity Group: Default

Line	CL Description	Quantity	UOM	Unit Cost	Line Total or Contract Amnt
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1

Auditing Assistance with Local Government Audits

Comm Code	Comm Description	Manufacturer	Model #	Manuf Part #
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94620

Auditing

Extended Description

The purpose of this RFP is to solicit proposals to audit specified local governmental units, under the auspices of the APA, for the fiscal periods as identified in Section 2.00(P), Groups of Local Government Audits, from duly licensed, independent certified public accounting firms [FIRM(s)] qualified to do business in the Commonwealth of Kentucky.

Shipping Information Auditor of Public Accounts 209 St. Clair Street Frankfort KY 40601			Billing Information Auditor of Public Accounts 209 St. Clair Street Frankfort KY 40601		
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Commonwealth of Kentucky SOLICITATION MODIFICATION

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Submission Checklist

The following items will be required to be submitted with bid:

Item

FIRM'S Responsiveness to RFP
Experience with state & local government entities & other public audits
FIRM's Audit Personnel Experience
FIRM's capacity & resources to carry out prescribed work
APA evaluation of FIRM
Not to Exceed Proposal submitted per Section 3.00 (B)

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ADDENDA ONE

August 19, 2021

Amend the RFP to modify Section 2.00 P. Group 7.

Amend the RFP to include responses to vendor written questions below.

COMMONWEALTH OF KENTUCKY

AUDITOR OF PUBLIC ACCOUNTS

RESPONSES TO WRITTEN QUESTIONS CONCERNING

2021 AUDITING ASSISTANCE WITH LOCAL GOVERNMENT AUDITS

1. What is the status of the proposed audit unit audit reports between the last audit performed and posted to the APA website and the proposed period to be audited per the RFP?

Except for Trimble, the release dates are estimated. If there are delays in releasing the audits, the CPA that is awarded the contract will be notified. If it causes their audit to be delayed, extensions to the due dates will be considered.

Bourbon FC 20 2020 expected release by Oct. 2021

Boyd FC 20 2020 expected release Oct. 2021

Estill FC 19 & 20 2019 expected release by 1st of September; 2020 expected release by Nov. 2021

Floyd FC 19 & 20 2019 expected release in Oct. 2021 and 2020 released by Nov. 2021

Martin FC 19 & 20 2019 expected release by end of Sept. 2021 and 2020 expected release by Nov. 2021

Mason FC 20 2020 expected release Oct. 2021

Trimble FC 19 2019 released August 9, 2021

Wolfe FC 20 2020 being completed by CPA – expected release Oct. 2021

2. May the audits be conducted remotely?

Responses below provided by county. While most counties indicate they can scan records, some on-site work will most likely be necessary.

Bourbon FC 21 Yes

Boyd FC 21 Yes, should be able to complete remotely.

Estill FC 21 Not the entire audit. CPA can scan records themselves and questions would be easy to answer remotely.

Floyd FC 21 Yes, should be able to complete remotely.

Martin FC 21 Yes, should be able to complete remotely.

Mason FC 21 Yes, should be able to complete remotely.

Trimble FC 20 Yes can scan records

Trimble FC 21 Yes can scan records.

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Wolfe FC 21 No Response from County as of 8/19/21.

3. Are the fiscal court Single Audits required due to grants related to state and local coronavirus fiscal recovery funds (SLCFRF) or coronavirus relief funds?

Responses below provided by county. Auditor will need to determine the major programs that will be tested under the single audit. While most counties spent coronavirus relief funds, they may also have other federal grants (FEMA, CSEPP, etc) that could be the major program that would need to be tested.

Bourbon FC 21 Yes

Boyd FC 21 Yes there will be a single audit. There is CRF as well.

Estill FC 21 Yes a single audit will be required. Almost always required. She will have CRF as well.

Floyd FC 21 Yes there will be a single audit regarding FEMA funds.

Martin FC 21 Treasurer working on SEFA. EMA director no longer there so getting all info on FEMA.

Mason FC 21 Yes, 2021 will require a single audit.

Trimble FC 20 Not a Single Audit.

Trimble FC 21 Treasurer says not a Single Audit.

Wolfe FC 21 No Response from County as of 8/19/21.

4. Will there be an option for extensions due to the potential delay with the issuance of the addendum to the Compliance Supplement related to SLCFRF or impacts due to COVID?

All requests for extensions will be considered on a case by case basis and in accordance with the process described in solicitation.

H. Modifications to Statement of Work

Any modifications to the statement of work or changes in the time necessary to complete the work shall be thoroughly discussed with Firm and agreed to in writing by Firm and APA prior to the implementation of any modification or change, such as for single audit work. If necessary, the contract amount may be amended to reflect such modification or change.

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5. When will decisions be made on the contracts to be awarded and when contracts be finalized and selected firms be able to begin work?

Our goal is to have contracts finalized by October 1, 2021.

6. Do the fiscal courts maintain capital asset schedules? If not, please identify the party that maintains these schedules.

Note: Capital asset schedules are considered Other Information in the county's financial statements and are only presented for purposes of additional analysis. They are not a required part of the financial statements and no opinion is provided on the capital asset schedule.

Responses below were provided by the county.

Bourbon FC 21 Yes

Boyd FC 21 Yes, and it is up to date as far as the treasurer is aware.

Estill FC 21 They maintain a capital asset schedule but it is not up to date.

Floyd FC 21 Yes, and it is up to date as far as the treasurer is aware.

Martin FC 21 There is no capital asset schedule as of current date.

Mason FC 21 Yes, and it is up to date as far as the treasurer is aware.

Trimble FC 20 Yes

Trimble FC 21 Yes

Wolfe FC 21 No Response from County as of 8/19/21.

7. Were there any new debt issues at the fiscal courts during the audit periods listed in the RFP?

Responses below were provided by the county.

Bourbon FC 21 No

Boyd FC 21 There is no new debt, but prior debts have been extended regarding FEMA.

Estill FC 21 No there should not be any new debt.

Floyd FC 21 No there should not be any new debt.

Martin FC 21 Yes there will be new debt in FY 21. KACO

Mason FC 21 Yes there will be new debt in FY 21. Vehicles and alterations to a pre-existing bond.

Trimble FC 20 No there should not be any new debt.

Trimble FC 21 Yes debt for tractor and other equipment

Wolfe FC 21 No Response from County as of 8/19/21.

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**Revised February 2021
PROPOSAL SUBMISSION CHECKLIST**

The vendor **MUST** include the following with the proposal submission.
If the items highlighted below are not submitted with the proposal submission,
**the Commonwealth MUST deem the proposal non-responsive and
SHALL NOT consider for award.**

All other items **MUST** be submitted prior to award.

_____ **SIGNED AND COMPLETED SOLICITATION --Section 8.10 of this RFP (not required if submitting electronically)**

_____ ***PROPOSED SOLUTION (TECHNICAL) UNDER SEALED COVER AND BY CLOSING DATE --
Section(s) 8.00 and 8.10 of this RFP**

_____ ***PROPOSED SOLUTION (COST) UNDER SEALED COVER AND BY CLOSING DATE --
Section(s) 8.00 and 8.20 of this RFP**

_____ **TRANSMITTAL LETTER – Section 8.10 of this RFP**

_____ **PROOF OF REGISTRATION WITH SECRETARY OF STATE BY A FOREIGN ENTITY --
Section 8.00 of the Personal Service Contract Terms and Conditions of this RFP**

_____ **REQUIRED AFFIDAVIT(S) – Section 8.10 of this RFP**

*The Commonwealth defines SEALED as “a closure that must be broken to be opened and that thus reveals tampering” (Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/seal>)

REQUEST FOR PROPOSAL
FOR
PERSONAL SERVICE CONTRACT

**Auditor of Public Accounts
Commonwealth of Kentucky
Request for Proposals to Audit Specified Local Government Units
RFP 045 2200000010**

This document constitutes a Request for Proposals for a Personal Service Contract from qualified individuals and organizations to furnish those services as described herein for the Commonwealth of Kentucky, Auditor of Public Accounts.

Offerors are advised that any personal service contract resulting from this RFP must comply with all applicable provisions of KRS 45A and KRS 12.210 prior to becoming effective.

A contract, based on this RFP, may or may not be awarded. Any contract award from this RFP is invalid until properly approved and executed by the Finance and Administration Cabinet and filed with the Legislative Research Commission, Government Contract Review Committee.

1.00 Purpose and Background

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This Request for Proposals (RFP) is being issued by the Kentucky Auditor of Public Accounts (APA), 209 St. Clair Street, Frankfort, Kentucky 40601-1817. The purpose of this RFP is to solicit proposals to audit specific county fiscal courts under the auspices of the APA, for the fiscal periods identified in Section 2.00(P) from duly licensed independent certified public accounting firms (Firms) qualified to do business in the Commonwealth of Kentucky.

APA reserves the right to withdraw this RFP at any time for any reason. Receipt of proposal materials by APA or submission of a proposal to the Commonwealth confers no rights upon Firm nor obligates APA in any manner.

One or more personal service contracts based on this RFP may or may not be awarded. Any agreement shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. This RFP and Firm's proposal shall become a part of the contract, if executed.

2.00 Scope of Work

A. General Nature of Services Required

As the agent of the APA, Firm shall perform financial and compliance audits of the various local governmental units for the fiscal periods as described in Section 2.00(P). There are eight numbered audit groups included in this RFP, identified in Section 2.00(P). One technical proposal is required to be submitted for one or more audit groups a Firm proposes to audit. A separate cost proposal is required to be submitted for each audit group a Firm proposes to audit. Firm may submit proposals on more than one audit group.

If no Firm submits a technical proposal to audit a specific audit group, the APA, in the interests of economy and efficiency, reserves the right to negotiate the audit of the specific audit group with any Firm submitting a proposal to audit any other audit group.

B. Audit Standards to be Followed

The audits shall be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits, issued by APA ("audit guide").

C. Specific Services to be Performed

Firm shall perform a financial statement audit for fiscal courts, to determine whether the financial statement(s) of the various local governmental units present fairly the financial position and results of operations in accordance with the applicable basis of accounting. Fiscal courts may elect to use the regulatory basis of accounting or Generally Accepted Accounting Principles (GAAP).

The prior year audit reports and audit documentation (working papers) shall be used as a guide for funds and accounts included in each audit. The reports and audit documentation shall be available for review upon request to the APA or to the respective CPA office if the prior year audit was performed by other than APA. All funds and accounts included in the prior year report, and any new funds and accounts that meet the reporting entity definition per the basis of financial statement presentation used, shall be audited for the various year ending dates as outlined in Section 2.00(P) of this document.

The following funds/accounts are common to most fiscal court audits: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund, E911 Fund, CDBG (Federal) Fund, Parks and Recreation Fund.

D. Reports to be Issued

Reports to be issued include:

Firm shall deliver an independent auditor's report expressing an opinion on the appropriate financial statement(s). The financial statement(s) included in the opinion will depend on whether the local government has elected to use the regulatory basis or GAAP to maintain their accounting records and prepare their annual financial statements. If applicable, the independent auditor's report shall also include comments and

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recommendations for improvement. Additionally, the following supplemental schedule is required for fiscal court audits, if applicable: Schedule of Expenditures of Federal Awards.

Firm shall deliver a report on internal control over financial reporting and on compliance based on an audit of financial statements performed in accordance with Government Auditing Standards and, if applicable, a report on compliance requirements applicable to each major program and on internal control over compliance in accordance with 2 C.F.R. 200 Subpart F. If a contract has been awarded to a Firm not including hours for federal single audit act work and the Firm determines after fieldwork has begun that a federal single audit is required for an auditee, then the APA, in consultation with the Firm, will process a contract amendment for the hours agreed upon as necessary for the Firm to perform the single audit procedures. The APA will evaluate the number of federal awards, the nature of the expenditures, and any audit findings in determining a reasonable amount of additional reimbursement.

E. Conditions for the Development and Presentation of Reports

The reports described herein shall be presented as prescribed by the APA audit guide and the current edition of the AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units. The reports shall contain all significant deficiencies, with those significant deficiencies that are considered material weaknesses being appropriately segregated and identified. If other matters are identified during the audit, they shall be included in the exit conference and may be reported to the auditee in a separate management letter.

Significant deficiencies and material weaknesses presented as part of the reports, as well as other matters conveyed in a separate management letter, shall be well developed and shall consist of the following components to the extent practicable: a statement of condition which also provides context of the magnitude of the matter reported; the criteria for significant deficiencies; the cause of the condition; the effect of the condition; a recommendation for correction; management's response and corrective action plan.

In addition, if applicable, Firm shall report on any uncorrected comments reported in the preceding audit. Also, if applicable, Firm shall report on the status of prior year questioned costs whether resolved with the federal grantor or unresolved. The questioned costs to be reported on shall include all questioned costs from the preceding audit, plus any unresolved questioned costs from prior years.

Firm shall make an immediate, written report to APA of any fraud or illegal act or indication thereof that comes to its attention during the term of the contract.

Firm shall deliver to APA a copy of draft reports as completed, but no later than the due date as set out in Section 2.00(P) of this RFP. The draft reports shall be delivered in an electronic file to be provided to the APA, with the following organized information:

Manager's Review/Report Reviewer's Comments A-01

AIC's Final Draft Report (Indexed) A-02

Audit Opinion Memorandum A-03

Work Paper Review Checklist B-01

Report Review Checklist B-02

Work Statement B-03

APA Independence Statement Signed

By CPA and Staff B-04

Exit Conference C-01

Supporting Documentation for Findings C-02

Management's Representation Letter C-03

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County Attorney's Legal Representation Letter C-04

Evaluating And Communicating Internal Control

Deficiencies And Noncompliance Worksheet C-05

Fraud Allegation/Complaint Documentation

(if applicable) C-06

Prior Year Report D-01

Prior Year Exit Conference D-02

Firm shall also deliver electronic copies of completed audit documentation (working papers) with the draft audit reports.

APA staff shall complete a report review, including audit documentation, and notify Firm of discrepancies, if any, to be corrected. Firm shall correct reported discrepancies in a manner and time established by APA. Failure of Firm to correct reported discrepancies in the manner and time established by APA may result in the imposition of liquidated damages under Section 2.00(J) of this RFP, or other damages.

Publication of the report letter of transmittal and distribution of final reports shall be the responsibility of APA.

Report Formatting Submittal and Specifications: The report shall be prepared using the electronic format to be provided by the APA. This format, which will be provided to the Firm electronically, will require Microsoft WORD and Microsoft EXCEL 2013 or later. Firm shall provide an electronic copy of the report in Microsoft WORD and the financial statements in Microsoft EXCEL. Email submission of the report may be accepted at the discretion of the APA. Additional formatting needed includes the Firm's letterhead and electronic signatures, where required.

If the delivery of any reports required by the Section 2.00(P) due dates is delayed, draft copies of the reports shall be furnished to APA by the Section 2.00(P) due dates.

Firm shall provide a draft copy of the audit report to the respective local governmental unit and discuss its contents with representatives of that office to satisfy exit conference requirements. Officials' responses to findings shall be included in the exit conference. Firm shall also include the officials' responses to the audit's comments in the draft report the Firm submits to the APA.

APA is responsible for the review of all draft reports and audit documentation. All final reports shall be released under the APA's cover.

F. General Conditions

1. Firm's Responsibilities During the Contract Term

Firm shall designate a project manager who shall be the contact with APA. The project manager shall oversee all activities for FIRM. Project manager shall provide an e-mail address, fax number, and phone number for daily contact purposes.

Firm shall be responsible for familiarity with appropriate state and federal laws and regulations and with appropriate audit standards.

Firm shall be responsible for personnel, supplies, and equipment.

Firm shall be responsible for all services offered in Firm's proposal whether or not Firm provides such service.

Firm shall have general professional liability insurance or specific professional liability insurance for this engagement in an amount equal to one million dollars and provide APA with proof of coverage.

Firm shall be responsible for all material errors and omissions in the performance of the contract.

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Firm shall notify APA in writing (e-mail is acceptable) when the fieldwork for each audit begins.

Firm shall provide one or more copies of audit documentation to the APA at no additional cost to the APA, the number and format of such copies to be determined after consultation with the APA's contact for this RFP. Originals of audit documentation shall be retained by Firm.

Firm shall be responsible for distributing reports to the APA.

Firm shall communicate no less than monthly with the liaison designated by APA.

Any changes or substitutions in audit personnel by Firm, including subcontractors, from the personnel listed in Firm's proposal must have the prior, written approval of the APA before the substituted personnel may commence work.

Upon completion of fieldwork, Firm shall conduct a face-to-face exit conference with the appropriate official(s) of the respective local governmental unit audited. Auditee's responses, if provided, are to be included for all report comments.

Firm shall be responsible for reviewing all audit documentation and draft reports prior to submission to the APA. Review shall be conducted by someone other than the preparer of the audit documentation and draft reports, and shall be clearly documented on each workpaper.

In the event the APA does not find the Firm's draft report or audit documentation acceptable, and returns it to Firm for further work, the Firm shall perform the follow-up work within 10 working days, unless otherwise agreed to by the APA.

Firm shall be responsible for including any audits performed under a contract awarded pursuant to this RFP in the list of audits subject to Firm's peer review.

2. Local Governmental Unit's Responsibilities During the Contract Term

The local governmental unit shall provide its own financial information and shall make such information available for Firm's review.

The local governmental unit shall make all files and records accessible to Firm, on site.

The local governmental unit may discuss the draft audit report with Firm and, no later than ten days after receipt, shall provide Firm a written response to the draft report.

The local governmental unit shall provide assistance to Firm, namely, gathering supporting documentation from the files and preparing schedules.

The local governmental unit shall make appropriate personnel available for interviews and information-gathering purposes.

3. APA'S Responsibilities During the Contract Term

APA shall designate a liaison to coordinate activities among APA, Firm, and local governmental units.

The APA shall provide the electronic format to be used in preparing the audit reports.

APA shall be solely responsible for publishing, issuing, and distributing all reports under APA cover.

APA shall review and may comment on Firm's audit documentation and draft audit reports. APA shall return the work for corrective action when necessary.

APA shall review the final audit reports and provide payment to the contractor in accordance with the contract.

APA shall be responsible for evaluating Firm's performance under the contract.

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G. Audit Documentation

All audit documentation (working papers) and reports must be retained, at Firm's expense, for a period of six years unless Firm is notified in writing by APA of the need to extend the retention period. Firm shall be required to make audit documentation available, upon request, to the designated representatives of APA.

In addition, Firm shall respond to all inquiries of successor auditors.

H. Modifications to Statement of Work

Any modifications to the statement of work or changes in the time necessary to complete the work shall be thoroughly discussed with Firm and agreed to in writing by Firm and APA prior to the implementation of any modification or change, such as for single audit work. If necessary, the contract amount may be amended to reflect such modification or change.

I. Method of and Procedure for Payment

After an audit report is submitted to the APA in accordance with this RFP, the APA, after a review of audit documentation, shall submit the Firm's invoice for payment processing of fifty percent (50%) of the contract amount of the submitted audit. Payment is predicated upon completion of the described work and APA approval of engagement documentation. Invoices shall be signed and submitted to Jody Perkins, 209 St. Clair Street, Frankfort, Kentucky, 40601-1817, with adequate supporting documentation, including but not limited to:

1. Period the services cover;
2. Detail of hours worked with the hourly rate and detail of total hours worked.

All invoices must conform to the requirements of KRS 45A.695(10):

<https://apps.legislature.ky.gov/moreinfo/Contracts/PSC%20INVOICE%20FORM.pdf>

Payment will be made only for hours actually worked.

The APA shall not consider an invoice received until the APA has completed its review of the audit. After APA review and signature by the Auditor of Public Accounts of each complete audit report submitted, the remaining fifty percent (50%) of the invoice, minus any liquidated damages imposed under Section 2.00(J). of this RFP or other charges, shall be processed for payment. Audit work returned by the APA to the Firm for corrections or completion must be done within 10 days of the APA's return to Firm. If the Firm does not make corrections timely, liquidated damages may be imposed as set out herein. Every reasonable effort to provide payment to Firm within 30 working days after receipt of a properly supported invoice, subject to the terms of this paragraph, shall be made in accordance with KRS 45.453.

J. Liquidated Damages

By submitting a proposal in response to this RFP, Firm acknowledges that timely performance of the audit(s) identified herein is necessary for the continued functioning of APA and the local governments being audited by APA pursuant to the RFP. Firm further acknowledges that actual harm would be caused to the Commonwealth and the APA by delay in completion of said contract, and that the amount (but not the existence) of actual loss by APA is not amendable to calculation or proof in a civil action for recovery of same. Therefore, the assessments in this Paragraph 2.J. are deemed reasonable by each party as liquidated damages in the event of delayed completion.

At the discretion of the APA, Firm may be assessed liquidated damages for each calendar day or portion thereof after the due date of the audit's completion as set out in Section 2.00(P) of this RFP that the Audit Reports called for in Section 2.00(P) have not been delivered to the APA in accordance with the contract or that the audit remains inaccurate or incomplete and, therefore, not timely submitted.

Liquidated damages may be calculated for each day after the due date as follows:

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Percentage of Incomplete Audits X Total Contract Amount X 2% = Amount of Liquidated Damages Assessed Per Day.

Example: Calculation of liquidated damages for the first day after due date as stated in contract:

Total Contract Amount = \$20,000

Number of Audits Contracted = 2

Number not Completed by due date = 1 (1/2 = 50% of Incomplete Audits)

\$20,000 X 50% X 2% = \$200 per day liquidated damages

Liquidated damages may be calculated daily for each calendar day after the audit's due date that any audit remains incomplete, inaccurate, or not delivered. Total liquidated damages assessed for delay shall not exceed the Total Contract Amount.

K. Prime Firm Responsibility

Proposals from a consortium of Firms shall be accepted. Information requested in responding to this RFP must be submitted for each member or subcontractor of the consortium. A prime Firm shall be designated in the proposal. A prime Firm is solely responsible for fulfillment of its contract with APA.

APA reserves the right to reject Firm's use of any subcontractor. APA may permit Firm to substitute a different subcontractor in case of such rejection. During the term of the contract, no subcontractor shall be used without the prior written approval of APA. Failure to notify APA of the use of a subcontractor in time to secure APA approval may result in termination for default.

L. Representation Letter

The proposal shall include a representation letter stating that the audit Firm is in compliance with auditing standards generally accepted in the United States of America and the provisions of *Government Auditing Standards*, issued by the United States Government Accountability Office, concerning continuing education requirements, independence, and peer review.

M. Cost of Preparing Proposal

Costs for developing and submitting the proposal are solely the responsibility of Firm. APA shall provide no reimbursement for such costs.

N. Partial Performance

In the event Firm fails to comply with the provisions of the contract to the satisfaction of APA, payment under the contract may, at APA's discretion, be withheld and liquidated damages applied as set out herein, until such time as the contract terms have been fulfilled. This condition also allows for administrative, contractual, and legal remedies as determined by the Secretary of Finance and Administration Cabinet or the Attorney General of the Commonwealth where it appears that the contractor has violated, breached, or defaulted on the contract.

O. Cancellation

In the event of termination, all documents, data, studies, and reports prepared for APA under the contract shall become the property of the APA.

P. Audit Groups, Audit Periods, and Due Dates

The following hours are the APA's estimate of audit hours needed to perform the upcoming audits, based on APA experience, with each group in this RFP utilizing a regulatory basis of accounting.

Group 1 Bourbon Fiscal Court FYE 2021 Est. Hours 650 Single Audit -Yes

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Due to APA by 12/15/21

Group 2 Boyd Fiscal Court FYE 2021 Est. Hours 800 Single Audit -Yes

Due to APA by 1/15/22

Group 3 Estill Fiscal Court FYE 2021 Est. Hours 800 Single Audit -Yes

Due to APA by 1/15/22

Group 4 Floyd Fiscal Court FYE 2021 Est. Hours 750 Single Audit -Yes

Due to APA by 1/15/22

Group 5 Martin Fiscal Court FYE 2021 Est. Hours 800 Single Audit -Yes

Due to APA by 1/15/22

Group 6 Mason Fiscal Court FYE 2021 Est. Hours 650 Single Audit -Yes

Due to APA by 1/15/22

Group 7 Trimble Fiscal Court FYE 2020 Est. Hours 450 Single Audit -No

Due to APA by 12/15/21

Trimble Fiscal Court FYE 2021 Est. Hours 600450 Single Audit -Yes-No

Due to APA by 2/15/22

Group 8 Wolfe Fiscal Court FYE 2021 Est. Hours 550 Single Audit – Yes

Due to APA by 12/15/21

3.00 Evaluation Criteria

The APA will evaluate the proposals based on the following evaluation factors:

A. Technical Proposal Evaluation: maximum 1,000 points

To assist in comparing proposals relative to the evaluation criteria, a technical proposal should include among its material the following information in distinct, easily distinguished sections. APA will evaluate all proposals in accordance with KRS 45A.695.

Responsiveness to RFP 200 points

This criteria refers to an evaluation of the FIRM's proposal's adherence to the technical requirements of this RFP, including in particular the information and documents solicited and the clarity and cohesion of the RFP as a written, consolidated package, and the inclusion of the following information in the proposal itself.

1. A statement that FIRM is a properly licensed certified public accountant who, at the time the proposal is submitted to the APA, meets the qualifications existing to do business within the Commonwealth of Kentucky and to perform the fiscal court audit engagement.
2. A statement that FIRM meets the independence, continuing education, and peer review standards of Government Auditing Standards.
3. A statement that FIRM has reviewed all relationships and has determined that it meets the objectivity and independence standards of the Kentucky Board of Accountancy for this type of engagement.

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4. A listing of FIRM's professional relationships involving the Commonwealth and any of its component units for the past five years, together with a statement explaining why such relationships do not constitute a conflict of interests in providing assistance to APA. Prior to contract execution, FIRM may be asked to disclose further information involving relationships with major vendors of the Commonwealth or its components.
5. A description of FIRM's quality control procedures.
6. A statement disclosing whether the Kentucky Board of Accountancy or any other state's CPA licensing body has taken disciplinary action against the FIRM (or any CPA employed or retained by FIRM who will work on this engagement) within the past five calendar years, and if so, a detailed explanation of the circumstances of the disciplinary action taken.
7. The proposal should be prepared and presented as a single volume where practical, including supporting documentation.
8. Proposals should be prepared simply and economically, providing a straightforward, concise description of FIRM's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. Repetition of the terms and conditions of this RFP, without additional explanation, will not be considered responsive.
9. The proposal should include a title page stating the RFP subject, name of FIRM, local address, telephone number, email address, name of contact person, date, and a table of contents which clearly identifies material by section and page number.
10. The proposal should include a statement that no cost or pricing information has been included in the technical proposal and that that FIRM's proposal will remain valid for 90 calendar days after the closing date of the receipt of the proposals.
11. The proposal should include a proposed work plan setting out the audit approach that would be used in providing the audit services required by this RFP, including at least the following audit approach areas for a county government:
 - a. Setting audit objectives;
 - b. Audit planning and analytical procedures;
 - c. Establishing materiality levels;
 - d. Documenting internal controls;
 - e. Assessing control risk and risk of material misstatement;
 - f. Sampling techniques - Tests of transactions and tests of details of account balances;
 - g. Testing compliance with laws and regulations;
 - h. Documenting and collecting evidence;
 - i. Testing IT general and application controls;
 - a9. Reviewing of audit documentation/workpapers; and
 - aa. Developing final audit reports.

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This criteria refers to an evaluation of the FIRM's prior successful experience in managing, executing, and delivering on contracts for audits of state agencies, local governments and officials, special purpose government entities (SPGEs), educational systems and institutions, and other public and quasi-public entities with an emphasis on local government experience and with a proposal including a description of FIRM-wide experience during 2018, 2019, 2020, and 2021 working on audits of the foregoing governmental entities.

-

FIRM's audit personnel experience 200 points

This criteria refers to an evaluation of the individuals the FIRM proposes to utilize in managing and performing the audit, both as to education and professional training as well as prior successful experience in performing the type of work they would be performing in this audit engagement.

1. A description of experience of partners, managers, supervisors, seniors, and other professional staff that will work on the engagement, giving the year, engagement partner, total hours, and the name and telephone number of the principal client contact, as to:
 - a. Audits involving Kentucky state agencies in the last 5 years; and
 - b. Audits involving local governments, officials, and SPGEs.

FIRM's capacity and resources 200 points

This criteria refers to an evaluation of the FIRM's ability to have sufficient technical expertise, staffing levels, data analytics capabilities, logistics, and redundancy in all areas to execute the audit engagement with high quality deliverables, including the final report, by the deadlines set out in this RFP.

1. FIRM background information covering:
 - a. Date established;
 - b. Location of clientele - local, regional, national, or international; and
 - c. Total number of professional staff.
2. Local office information covering:
 - a. Location of FIRM office that will supply staff;
 - b. Number of partners, managers, supervisors, seniors, and other professional staff employed in FIRM office that will supply staff; and
 - c. Brief biographical sketch detailing experience of professional staff who will be assigned to the engagement
3. The hours proposed by the firm as needed to complete the engagement, with the proposed hours agreeing with those provided in the separate cost proposal. However, do NOT present cost information in this technical proposal.
4. A statement of whether FIRM's most recent peer review included a review of specific government engagements, together with a copy of the peer review report, including letter of comments, if applicable.

Evaluation of FIRM 200 points

An evaluation of the FIRM's reputation and business goodwill within the auditing profession and its client base as evidenced by past successful engagements, customer responsiveness, and other relevant

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performance measures and the feedback provided by the community and its clients in response to requests by the APA for reference checks on the FIRM.

1. The client contact information for five recent clients, number of previous audits by FIRM, which may include audit engagements and client contacts previously provided under other evaluation criteria in this RFP, should be provided for utilization by APA to obtain feedback as part of the evaluation of the FIRM.
2. At its discretion, FIRM may provide additional client references.

Vendors that obtain **700** points or greater on the Technical Evaluation shall move forward for Cost Evaluation. Vendors scoring less than **700** on the Technical Evaluation shall not be evaluated further or considered for award.

B. Cost Proposal Evaluation: maximum 100 points

SEE ATTACHMENT A FOR COST PROPOSAL FORM

The same person signing the transmittal letter in the technical proposal shall sign the cost proposal.

The cost proposal shall be for the services requested in this RFP, and shall contain the name of FIRM and classification, time, and rate information as set forth below.

In making a cost proposal, **FIRM** shall be cognizant of GCRC Policy 99-5 which states:

"It shall be the policy of the Government Contract Review Committee of the Legislative Research Commission to consider for approval, only those personal service contracts for auditing services that conform to the following description and maximum rate schedule:

Private Auditors and Auditing Firms

Duties:

Under general supervision, provides independent professional auditing of accounts, financial transactions, and spending of a state agency in accordance with generally accepted auditing principals and standards as a private auditor or as a principle, partner, manager, or staff within an auditing firm.

***Maximum Rate Schedule:**

Principle or Partner	Not to exceed \$125/hour
Senior Auditor or Manager	Not to exceed \$100/hour
Junior Auditor or Staff Auditor	Not to exceed \$75/hour

*Fees paid by an agency shall not exceed the committee's maximum rate schedule, unless required by the complexity or uniqueness of the audit, in which case, prior justification must be presented to the committee.

The "not to exceed" negotiated contract price shall be binding on FIRM upon execution of a contract with APA. Final contract price shall be determined in accordance with KRS 45A.695."

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The cost proposal shall be for the services requested herein, and shall contain the name of the Firm, identify the audit group for which the proposal is submitted, the firm's applicable blended hourly rate for the audit, total audit hours, and total cost.

In submitting a cost proposal, FIRM shall utilize the form required by 9.20 of this RFP.

Prepare a separate cost proposal for each county audit group Firm proposes to audit.

Provide a breakdown of proposed audit costs based on estimated hours to complete for each individual audit within each county audit group Firm proposes to audit.

Cost proposals must be signed by the same individual signing the technical proposal's transmittal letter.

Include only one audit group cost proposal per envelope.

Envelopes must be clearly marked as to: Group's identity by county audit group name and group number, and Firm name.

All cost proposal envelopes submitted by the same Firm may be mailed/delivered under one cover.

Oral Presentations/Demonstrations – If Required - maximum 100 points

Up to 100 points may be awarded following an oral presentation if oral presentations are requested in accordance with 9.80 and 9.85 of this RFP.

4.00 Schedule of RFP Activities

The following schedule presents the major activities associated with the RFP distribution, written questions and proposal submission. The Commonwealth reserves the right at its sole discretion to change the Schedule of Activities, including the associated dates and times.

Release of RFP	August 5, 2021
Written Questions due by: 4:30 PM EST	August 12, 2021
Anticipated Commonwealth Response to Written Questions	August 19, 2021
Proposals Due by: 4:30 PM EST	August 31, 2021
All bidders are cautioned to be aware of the security in the Office of the Auditor of Public Accounts located at 209 St. Clair Street, Frankfort, Kentucky. All bids shall be time stamped in the Office of the Auditor of Public Accounts no later than the due date and time defined in this Solicitation. In person or courier delivered bids in response to this Solicitation shall be delivered to Tim Gutman, Auditor of Public Accounts, 209 St. Clair Street, Frankfort, KY 40601 . Delays due to building security checks shall not be justification for acceptance of a late bid.	
*NOTE: ALL TIME REFERENCES ARE TO THE EASTERN TIME ZONE.	

5.00 Not Applicable

6.00 Point of Contact

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The Agency Contact named below shall be the sole point of contact throughout the procurement process. All communications, oral and written (regular mail, express mail or electronic mail), concerning this procurement shall be addressed to:

Tim Gutman
Auditor of Public Accounts
209 St. Clair Street
Phone: 502-209-2889
Fax: 502-564-2912
Tim.Gutman@ky.gov

From the issue date of this RFP until a Contractor(s) is selected and the selection is announced, Offerors shall not communicate with any other Commonwealth staff concerning this RFP.

7.00 Questions Regarding this RFP

Questions must be submitted in writing to the Agency Contact. The Commonwealth will respond to salient questions in writing by issuing an Addendum to the Solicitation. The Addendum shall be posted to the Commonwealth's eProcurement page.

8.00 Proposal Submission

Each qualified offeror shall submit only **one (1) proposal**. **Alternate proposals shall not be allowed.** Failure to submit as specified shall result in a non-responsive proposal.

The vendor should complete the "Vendor" box on the face of the solicitation. An authorized representative of the vendor shall sign where indicated on the face of the solicitation. If the solicitation is not signed the proposal shall be deemed non-responsive.

Acknowledgment of Addenda

It is the vendor's responsibility to check the web site for any modifications to this solicitation. Vendors are encouraged to acknowledge each addendum by signing and submitting the latest addendum with their response. However, signing the face of the solicitation as indicated above constitutes the vendor's acknowledgement of and agreement to be bound by the terms of all addenda issued.

Failure to specifically acknowledge addenda will not excuse the vendor from adhering to all changes to the requirements of the solicitation set forth therein nor provide justification for any pricing changes.

All submitted technical and cost proposals shall remain valid for a minimum of six (6) months after the proposal due date.

Proposals shall be submitted in three (3) parts: The **Technical Proposal**, the **Cost Proposal**, and if applicable the **Proprietary Information**.

The **Technical Proposal** should include one (1) marked original hard/paper copy technical and three marked technical thumb/flash drives (in Microsoft Word, Microsoft Excel or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

The **Cost Proposal** should include one (1) marked original hard/paper copy cost and one marked cost thumb/flash drives (in Microsoft Word, Microsoft Excel or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

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Any **Proprietary Information** should include one (1) marked original hard/paper copy proprietary and one marked proprietary data thumb/flash drives (in Microsoft Word, Microsoft Excel, or PDF format ONLY). Do not include embedded documents, hyperlinks or hyperlinks to videos.

Proposal shall be submitted to the Agency Contact. The outside cover of the package containing the technical proposal shall be marked:

Request for Proposals to Audit Specified Local Government Units

RFP 045 2200000010

TECHNICAL PROPOSAL

Name of Offeror

The outside cover of the package containing the cost proposal shall be marked:

Request for Proposals to Audit Specified Local Government Units

RFP 045 2200000010

COST PROPOSAL

Name of Offeror

If applicable, the outside cover of the package containing the proprietary information shall be marked:

Request for Proposals to Audit Specified Local Government Units

RFP 045 2200000010

PROPRIETARY PROPOSAL

Name of Offeror

All proposals must be received no later than 4:30 PM EST on August 31, 2021.

8.10 Format of Technical Proposal

The Technical Proposal must be arranged and labeled in the manner set forth below.

Transmittal Letter – a Transmittal letter shall be submitted on Offeror's letterhead, and signed by an agent authorized to bind the Offeror. The Transmittal letter shall include the following:

a.	A statement that deviations are included, if applicable.
b.	A statement that proprietary information is included, if applicable.
c.	A statement that, if awarded a contract as a result of this Solicitation, the Offeror shall comply in full with all the requirements of the Kentucky Civil Rights Act, and shall submit all data required by KRS 45.560 to 45.640.
d.	A sworn statement that, pursuant to KRS 11A.040, that Offeror has not knowingly violated any provisions of the Executive Branch Code of Ethics.
e.	A statement certifying that the price in this proposal was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.
f.	A statement affirming that the Offeror is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing with the Office of the Kentucky Secretary of State for the duration of any awarded contract resulting from this Solicitation.
g.	The name, address, telephone number and email address and website address, if available, of the contract person to serve as a point of contact for day-to-day operations.
h.	Subcontractor information to include the name of the company, address, telephone number and contact name, if applicable.
i.	Foreign entity's organization number issued by the Secretary of State in a certificate of authority or a statement of foreign qualification, if applicable.

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Completed and Signed Solicitation and Addenda – An authorized representative MUST complete and sign the Solicitation form and include the following:

- a. “Vendor” box and “Payment” box should be completed.
- b. Vendor shall indicate ownership type.
- c. Vendor shall provide “FEIN” if applicable.
- d. Vendor shall provide date the form is completed and signed.
- e. Signed face of the most recent Addenda, if applicable.

Signed and Notarized Required Affidavit for Bidders or Offerors - available at the following link:

<http://finance.ky.gov/services/forms/Pages/default.aspx>

Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status – if applicable. Available at the following link:

<http://finance.ky.gov/services/forms/Pages/default.aspx>

*Offerors not claiming Resident Bidder Status need not submit this affidavit.

Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Qualified Bidder Status – if applicable. Available at the following link:

<http://finance.ky.gov/services/forms/Pages/default.aspx>

*Offerors not claiming Qualified Bidder Status need not submit this affidavit.

Response to the Technical Portion of the RFP – Please provide a detailed response to the technical requirements outlined in the Evaluation Criteria. No cost information shall be provided in the technical portion.

8.20 Format of Cost Proposal

The Cost Proposal must be submitted under separate cover from the Technical Proposal and must be arranged and labeled in the manner specified. The proposal with the lowest price receives the maximum score. The remaining proposals with the next lowest price receives points by dividing the lowest price by the next lowest price and multiplying that percentage by the available points.

8.30 Certification Regarding Debarment and Suspension

In accordance with Federal Acquisition Regulation 52.209-5, the Offeror shall certify, by signing the Solicitation, that to the best of its knowledge and belief, the Offeror and/or its Principals is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency.

For the purposes of this certification, “Principals”, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of subsidiary, division, or business segment, and similar positions).

9.00 Rules of Procurement

To facilitate this procurement, various rules have been established. These are described in the following paragraphs.

Offerors should review and comply with the General Conditions and Instructions for Solicitation/Contract listed under “Response to Solicitation” located on the eProcurement web page at

<http://finance.ky.gov/services/policies/Documents/FAP%20110-10-00.pdf>

The procurement process will provide for the evaluation of proposals and selection of the winning proposal in accordance with state law and regulations. KRS Chapter 45A of the Kentucky Model Procurement Code provides the regulatory framework for the procurement of services by state agencies.

9.10 Technical Proposal Evaluation

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The APA will evaluate the proposal based on the technical portion of the Evaluation Criteria. Each Offeror is responsible for submitting all relevant, factual and correct information with their offer to enable the evaluator(s) to afford each vendor the maximum score based on the available data submitted by the Offeror. Past Offeror Performance may be considered in the award of this Contract. Offerors with a record of poor performance in the last twelve (12) months may be found non-responsive and ineligible for award.

9.20 Cost Proposal Evaluation

The APA will evaluate the proposal based on the cost portion of the Evaluation Criteria.

Offeror shall only provide cost on the attached Cost Proposal Form; otherwise, the proposal may be deemed non-responsive.

9.30 Right to Reject/Waiver of Minor Irregularities

The Commonwealth reserves the right at its discretion to reject any and all offers. The Commonwealth also reserves the right at its discretion to waive informalities and minor irregularities in offers received.

9.40 Clarification of Proposals

The Commonwealth reserves the right at its discretion to request additional information as may reasonably be required for selection and to reject any proposals for failure to provide additional information on a timely basis.

The Commonwealth reserves the right to conduct discussions with any Offeror who has submitted a proposal to determine the Offeror's qualifications for further consideration. Such discussions shall not disclose any information derived from proposals submitted by other Offerors.

9.50 Best and Final Offers

The Commonwealth reserves the right at its discretion to request a Best and Final Offer (BAFO) for technical and/or cost proposals. Offerors are cautioned to propose their best possible offers at the outset of the process, as there is no guarantee that any Offeror will be allowed an opportunity to submit a Best and Final technical and/or cost offer.

9.60 Vendor Response and Public Inspection

This RFP specifies the format, required information and general content of proposals to be submitted in response to the RFP. The APA shall not disclose any portions of the proposals prior to contract award to anyone outside the APA, representatives of the agency for whose benefit the contract is proposed, representatives of the federal government, if required, and the members of the evaluation committee. After a contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any and all documents submitted by an Offeror in response to the RFP shall be available for public inspection after contract award pursuant to the Kentucky Open Records Act, KRS 61.870 to 61.884 ("the Act"). When responding to a request to inspect records submitted in response to this RFP, the Commonwealth will not redact or withhold any information or documents unless the records sought are exempt from disclosure pursuant to KRS 61.878 or other applicable law. Similarly, no such documents shall be exempt from public disclosure, regardless of the Offeror's designation of the information contained therein as "proprietary," "confidential," or otherwise, except in cases where the requested documents (or information contained therein) would be excluded from application of the Act under KRS 61.878(1)(c).

The Commonwealth of Kentucky shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejections of the proposal will not affect this right.

9.70 Reciprocal Preference for Kentucky Resident Bidders and Preferences for a Qualified Bidder

The scoring of bids/proposals is subject to the reciprocal preference for Kentucky resident bidders and preferences for a Qualified Bidder or the Department of Corrections, Division of Prison Industries (See KRS 45A.490(1), (2), 45A.492, 45A.494 and KAR 200 5:410).

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Vendors not claiming resident bidder or qualified bidder status need not submit the corresponding affidavit.

Determining the residency of a bidder for purposes of applying a reciprocal preference

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit the attached Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status as part of its response. The APA reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

As part of its response, a nonresident bidder shall submit its certificate of authority to transact business in the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

Preferences for Qualified Bidder or the Department of Corrections, Division of Prison Industries (200 KAR 5:410)

Pursuant to KRS 45A.470 and 200 KAR 5:410, Kentucky Correctional Industries will receive a preference equal to twenty (20) percent of the maximum points awarded to a bidder in a solicitation. In addition, the following "qualified bidders" will receive a preference equal to fifteen (15) percent of the maximum points awarded to a bidder in a solicitation. New Vision Industries, Inc., any nonprofit corporation that furthers the purposes of KRS Chapter 163 and any qualified nonprofit agencies for individuals with severe disabilities as defined in KRS 45A.465(3). Any bidder claiming "qualified bidder" status, other than New Vision Industries, Inc., shall submit a notarized affidavit affirming that it meets the requirements to be considered a qualified bidder as part of its response to the solicitation (affidavit form included as part of this RFP). If requested, failure to provide documentation proving qualified bidder status to a public agency, if requested, may result in disqualification of the bidder or contract termination.

9.80 Right to Use Oral Presentations/Demonstrations to Verify/Expand on Proposal

The Commonwealth reserves the right at its discretion to require Oral Presentations/Demonstrations by some or all of the Offerors to verify or expand on the Technical or Cost Proposals.

9.85 Oral Presentations/Demonstrations Evaluation Criteria

The highest ranking vendors may be requested to provide oral presentations/demonstrations to answer questions or to clarify the understanding of the evaluators in accordance with the requirements of this RFP. The oral presentation shall be scheduled at the discretion of the Commonwealth. The Commonwealth reserves the right not to require oral presentations/demonstrations at its discretion.

9.90 Negotiation

After conducting the evaluation to determine the best proposal received, the APA reserves the right to negotiate a fair and reasonable compensation based on the pricing submitted in the Offeror's proposal. If the negotiations fail to reach an agreement on a fair and reasonable compensation rate, the APA reserves the right to proceed to the next highest ranked proposal in accordance with KRS 45A.695 .Other terms and conditions relating to the technical and/or cost proposals may be negotiated at the sole discretion of the Commonwealth.

9.95 Best Interests of the Commonwealth

The Commonwealth will rank all proposals in the manner set forth in the Evaluation Criteria. However, the Commonwealth reserves the right to reject any or all proposals in whole or in part before, during, or after negotiation based on the best interests of the Commonwealth.

CONTRACT AWARD, TERMS, AND CONDITIONS

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10.00 Notification of Award

To view the award of contract(s), including the contractor(s) receiving the award(s) for this solicitation, access the Kentucky Vendor Self Service Site at:

<https://emars311.ky.gov/webapp/vssprdonline3111d/AltSelfService>

Offerors can search for the solicitation title or number in the keyword search field or filter their search for only awarded solicitations by clicking on "Advanced Search" and changing the status to "awarded." The award(s) information can be accessed by clicking on the details button of the solicitation and clicking the "Notice of Award" tab. It is the Offeror's responsibility to review this information in a timely fashion. No other notification of the results of an Award of Contract will be provided to unsuccessful Offerors.

10.10 Beginning of Work

This Contract is not effective and binding until approved by the Secretary of the Finance and Administration Cabinet and filed with the Legislative Research Commission's Government Contract Review Committee. The Contractor shall not commence any billable work until a valid Contract has been fully executed. This Contract, including the components referenced in Section 10.20, shall represent the entire agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

10.20 Contract Components and Order of Precedence

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. Any written Agreement between the Parties.
3. Any Addenda to the Solicitation.
4. The Solicitation and all attachments
5. Any Best and Final Offer.
6. Any clarifications concerning the Contractor's proposal in response to the Solicitation.
7. The Contractor's proposal in response to the Solicitation.

In the event of any conflict between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above.

10.30 Contract Term and Renewal Option

The initial term of the Contract is anticipated to be from October 1, 2021 through June 30, 2022.

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the Contract and until the Contract has been filed with the Legislative Research Commission, Government Contract Review Committee.

The Commonwealth reserves the right to renew this contract for up to three (3) additional one (1) year periods.

Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705.

10.40 Changes and Modifications to the Contract

Pursuant to 200 KAR 5:311, no modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Contractor

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and the Commonwealth, and incorporated as a written amendment by the APA prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

10.50 Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature are to be made to the Agency Contact.

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**Personal Service Contract Standard Terms and Conditions
Revised January 2020**

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and
Whereas, the second party, the Contractor, is available and qualified to perform such function; and
Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

1.00 Effective Date:

This contract is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC"). However, in accordance with KRS 45A.700, contracts in aggregate amounts of \$10,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

2.00 Renewals:

Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

3.00 LRC Policies:

Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage (<https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html>) and would impact any contract established under KRS 45A.690 et seq., where applicable.

4.00 Choice of Law and Forum:

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

5.00 EEO Requirements:

The Equal Employment Opportunity Act of 1978 applies to All State government projects with an estimated value exceeding \$500,000. The contractor shall comply with all terms and conditions of the Act.

6.00 Cancellation:

The Commonwealth shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days' written notice served on the Contractor by registered or certified mail.

7.00 Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

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8.00 Reduction in Contract Worker Hours:

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the agreement will be reduced by the amount specified in that document. If the contract funding is reduced, then the scope of work related to the contract may also be reduced commensurate with the reduction in funding. This reduction of the scope shall be agreeable to both parties and shall not be considered a breach of contract.

9.00 Authorized to do Business in Kentucky:

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity:

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

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For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Businesses can register with the Secretary of State at <https://onestop.ky.gov/Pages/default.aspx>

10.00 Invoices for fees:

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in Section V of this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html>.

11.00 Travel expenses, if authorized:

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of this contract or authorized in advance and in writing by the Commonwealth. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

12.00 Other expenses, if authorized herein:

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The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

13.00 Purchasing and specifications:

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

14.00 Conflict-of-interest laws and principles:

The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

15.00 Campaign finance:

The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

16.00 Access to Records:

The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

17.00 Protest:

Pursuant to KRS 45A.285, the Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after

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such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Holly M. Johnson, Secretary
Commonwealth of Kentucky
Finance and Administration Cabinet
Room 383, New Capitol Annex
702 Capitol Avenue
Frankfort, KY 40601

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

18.00 Social security: (check one)

_____ The parties are cognizant that the state is not liable for social security contributions, pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

_____ The parties are cognizant that the state is liable for social security contributions, pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

19.00 Violation of tax and employment laws:

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to corporate and utility tax, sales and use tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

_____ The Contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The Contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). Attached is a list of such determination(s), which includes the KRS violated, the date of the final determination, and the state agency which issued the final determination.

20.00 Discrimination:

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This section applies only to contracts disbursing federal funds, in whole or part, when the terms for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

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ATTACHMENT A – COST PROPOSAL FORM

Engagement Year	Engagement Hours	Blended Hourly Rate	Cost
20**	Hrs X	\$* .**	=
Total Engagement Hours		Total Costs *	

*The cost is to be reflected on a “not to exceed” basis.

In preparing this Cost Proposal, Firm should be advised of, and conform to the requirements of Government Contract Review Committee Policy 99-5 stated in Section B.